

**NATIONAL RECOVERY ADMINISTRATION**

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**PROPOSED CODE OF FAIR COMPETITION**

**FOR THE**

**REAL ESTATE BUSINESS**

**REAL ESTATE AND INSURANCE BROKERAGE  
BUSINESS**

**REAL ESTATE AND BUILDING MANAGEMENT  
BUSINESS**

**REAL ESTATE MORTGAGE BUSINESS**

**LAND DEVELOPMENT AND HOME BUILDING  
BUSINESS**

**REAL ESTATE APPRAISING BUSINESS**

**AS SUBMITTED ON SEPTEMBER 1, 1933**



**The Code for the Real Estate Trade  
in its present form merely reflects the proposal of the above-mentioned  
industry, and *none of the provisions contained therein are  
to be regarded as having received the approval of  
the National Recovery Administration  
as applying to this industry***

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SUBMITTED BY  
NATIONAL ASSOCIATION OF REAL ESTATE BOARDS  
(II)

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NATIONAL ASSOCIATION OF REAL ESTATE BOARDS,  
*Chicago, August 30, 1933.*

NATIONAL RECOVERY ADMINISTRATION,  
*Control Division, Washington, D.C.*

GENTLEMEN: In submitting a General Code Affecting Real Estate, and supplementary codes for its several divisions, the National Association of Real Estate Boards has endeavored to cover the activities of its own membership and, in addition, to provide a basis upon which other associations or groups having similar or allied interests and activities might cooperate for the best interests of all. The definition of representation on the General Code Committee and the methods of the election of its members have been temporarily omitted until such time as they can be worked out between the interested groups and the Administration.

Real estate has frequently been estimated to comprise at least one half of our national wealth. In spite of its importance, however, real-estate methods are generally unstandardized. The National Association of Real Estate Boards is the only articulate nation-wide body representing real estate in all of its branches. The Association believes that a great opportunity exists at this time to standardize and coordinate the work that it is doing and the work that is being done by several other national associations covering important but restricted fields, such as the National Association of Building Owners and Managers, Mortgage Bankers Association of America, the National Association of Apartment House Owners, and others.

Because of lack of coordination, there has not been sufficient planning with respect to the production of improvements and their adjustment to current needs. As a consequence we have periods of feast and famine. Lack of coordination has also produced costs that are frequently excessive and that are an obstacle to home ownership. The present crisis offers an opportunity for the major interests and activities in the real-estate field to work together for more intelligent development of sites, better planning and construction, sounder financing methods, and more productive management.

In addition to this General Code the Association has filed five supplementary codes, covering the fields of land development and home building, mortgage financing, brokerage, management, and appraising. With each of these codes is a letter of transmittal outlining briefly the particular problems which exist in that field. The problems outlined in these letters can not be solved separately but only in the light of their relationship to one another and the whole field of real-estate activity. We believe this General Code offers the framework within which such solutions can be worked out.

Very truly yours,

NATIONAL ASSOCIATION OF REAL ESTATE BOARDS,  
By W. C. MILLER, *President*,  
J. W. CREE, Jr., *Chairman Code Committee*.



## GENERAL CODE AFFECTING REAL ESTATE

### ARTICLE 1—PURPOSE

This code is established in order to effectuate the policy of Title I of the National Industrial Recovery Act, by increasing purchasing power through the payment of fair wages to employees, by limiting hours of labor, increasing, spreading, and sustaining employment, eliminating unfair practices, and restoring prosperity to all those concerned.

### ARTICLE 2—DEFINITIONS

*Real Estate.*—Land, land and improvements, or improvements.

*Interests and activities.*—Operation of real estate, by an owner, to which this code is applicable and the substantial engagement as principal, fiduciary, agent or counselor in the sale or leasing of real estate, renting and management of real estate, brokerage of insurance connected with the ownership and operation of real estate, subdivision and development of real estate including erection of dwellings thereon, making, negotiating, and servicing of mortgages on real estate, and appraisal of real estate.

*Member.*—Any individual, partnership, association, trust, or corporation subscribing to or coming under the control of this code.

*General Real Estate Code Committee.*—The Committee charged with responsibility and authority to administer this code under the direction of the National Recovery Administration.

*Subcommittees.*—Committees elected by cooperating groups or associations, responsible and subject to the General Real Estate Code Committee.

*Effective Date.*—The second Monday after this code shall have been approved by the President of the United States.

### ARTICLE 3—SUPPLEMENTARY CODES

Supplementary codes of fair competition may be prepared and incorporated in this code when approved by the General Real Estate Code Committee and the National Recovery Administration for the following divisions and any other divisions that may be developed:

1. Brokerage of Real Estate and of Insurance connected with the ownership and operation of Real Estate.
2. Real Estate and Building Management.
3. Making, Negotiating, and Servicing of Mortgages.
4. Land Development and Home Building.
5. Real Estate Appraising.

## ARTICLE 4—MAXIMUM HOURS, MINIMUM WAGES

On and after the effective date of this code, maximum hours and rate of minimum wages shall be as follows:

Occupation	Maximum hours per week	Minimum weekly wage			Towns under 2,500
		Over 500,000	250,000 to 500,000	2,500 to 250,000	
Clerical employees, not including executives.	40	\$15.00	\$14.50	\$14.00	\$12.00
Junior office employees who are learning the business, 19 to 20 years of age, inclusive.	40	12.00	11.50	11.00	9.00
Junior office employees who are learning the business, 16 to 18 years of age, inclusive.	40	10.00	9.50	9.00	7.00
Office-building and business-property operating employees.	48	15.00	14.50	14.00	12.00
Apartment-, industrial-, and loft-building-operating employees working regular consecutive hours.	54	15.00	14.50	14.00	12.00
Land-development and land-maintenance employees.	40	15.00	14.50	14.00	12.00
Home-building employees-----	40	16.00	15.60	15.20	14.80

All wages in towns of less than 2,500 population to be increased by not less than 20% provided that this shall not require wages in excess of amounts shown in next column to the left.

1. In the event that a state law specifies a lower maximum number of hours or a higher minimum wage for any type or class of employees than is herein provided, no employees may be employed for more than the maximum number of hours or for a wage which is less than the minimum wage provided in such state law within that state.

2. When hours worked per week are less than maximum hours shown, the minimum rate per hour shall be determined by dividing the minimum rate per week by the maximum hours.

3. Employees may be employed in excess of maximum hours shown in case of emergency maintenance and repair work if time and a third is paid for all hours in excess of maximum.

4. In the District of Columbia and the following states, Maryland, West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Oklahoma, Arkansas, Tennessee, and Kentucky, all rates shown shall be reduced by 10%.

5. Land-development, land-maintenance, and home-building employees' hours in excess of the maximum shown may be worked at the regular rate per hour to compensate for time lost through climatic conditions, provided that not over 8 hours in any day, 48 hours in any week, nor an average of over 40 hours per week any six months period shall be worked.

6. Due to seasonal variations, clerical and junior office employees may be worked more than 40 hours per week, but not to exceed 48 hours per week at regular wages provided the total hours worked in any 6 months period shall not exceed an average of 40 hours per week.

7. Salesmen, solicitors, and rental men working a major part of their time outside of the office, and building managers, caretakers, or custodians, whose chief remuneration is free rent of quarters occupied, are exempt under this code as to the provisions of hours and wages.

8. Apartment employees, including janitors, managers, custodians, caretakers, and others whose duties are such that they cannot work consecutive hours but require intermittent attendance, and watchmen



of all kinds shall not be subject to any maximum hours limitation, but shall have their present wages increased by not less than twenty percent, provided that this shall not require wages in excess of the minimum set out above for consecutive hours apartment operating employees for cities of different sizes.

#### ARTICLE 5—LABOR RELATIONS

Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing or assisting a labor organization of his own choosing.

Employers shall comply with the maximum hours of labor, minimum rates of pay and other conditions of employment, approved or prescribed by the President.

After the effective date no member shall employ any person under sixteen years of age; provided, however, that where a state law specifies a higher minimum age, no person below the age so specified by such law shall be employed within that state.

The right of employer and employee to bargain together free from interference by any third party shall not be affected by this code.

#### ARTICLE 6—GENERAL UNFAIR COMPETITIVE PRACTICES

Under this code any of the practices contained in the supplementary codes of the several divisions of Real Estate, now filed or as subsequently filed or amended, shall be considered unfair and shall constitute a violation of this code.

#### ARTICLE 7—COMMISSIONS AND FEES

Uniform minimum commissions and fees shall be established by local associations or subcommittees in accordance with local custom and practice. If such schedules of minimum commissions and fees established by local associations or subcommittees are submitted to the General Real Estate Code Committee and are by it approved, they shall thereupon become a part of this code. Until such commissions and fees shall have been so established, the present minimum schedules now in effect in the various communities shall continue.

#### ARTICLE 8—COLLECTION OF DATA

The General Real Estate Code Committee shall have authority to make surveys and to compile such reports as it may deem necessary for the accomplishment of the purposes of the National Industrial Recovery Act. The Committee may also collect such statistics and information as it may deem desirable in order to develop recommendations for the improvement of real estate interests and activities and may assess against all members, equitably, the expenses incident to

the administration of this code under such rules and regulations as may be approved by the President under Section 10-Z of Title I of the National Industrial Recovery Act.

#### ARTICLE 9—GENERAL PROVISIONS

No provisions of this code shall be interpreted or applied in such manner as to promote a monopoly or to eliminate or oppress small enterprises and will not operate to discriminate against them and will tend to effectuate the policy of Title I.

This code may be amended from time to time by the General Code Committee subject to the approval of the President.

The President may from time to time cancel or modify any order, approval, license, rule, or regulation issued under Title I of the N.I.R.A. and any of the provisions of this code shall from time to time be cancelled or modified to the extent necessary to conform thereto.

To the extent required or permitted by or under the provisions of Title I of the National Industrial Recovery Act, the provisions of this code shall apply to and be binding upon every member whether or not the member shall have signed an agreement to comply with this code.

#### ARTICLE 10—ADMINISTRATION

The Administration of this code shall be vested in a committee to be known as the General Real Estate Code Committee, which shall consist of representatives elected so as to give representation to the interests and activities involved and to the various sections of the United States. (Number of members and methods of appointment or election to be added as soon as the details can be worked out by the cooperating groups or associations, and approved by the Administration). This Committee shall have the authority and powers conferred upon it in this code and such other powers and duties as may be necessary to administer the code. The Committee may hear complaints against members arising out of alleged violations of this code or of the National Industrial Recovery Act and may cause such complaints to be arbitrated and may initiate proceedings before the appropriate governmental agencies to prevent or to punish such violations.

*Subcommittees.*—Subcommittees may be appointed by local groups or associations for specific purposes with the approval of the General Real Estate Code Committee, which committee shall appoint one of its own members as an ex-officio member of such subcommittee.

## CODE OF FAIR COMPETITION FOR THE REAL ESTATE AND INSURANCE BROKERAGE BUSINESS

A SUPPLEMENTARY CODE UNDER THE GENERAL CODE AFFECTING  
REAL ESTATE FILED BY THE NATIONAL ASSOCIATION OF REAL-  
ESTATE BOARDS

### ARTICLE 1—PURPOSE

This code is established in order to effectuate the policy of Title I of the National Industrial Recovery Act, by increasing purchasing power through the payment of fair wages to employees, by limiting hours of labor, increasing, spreading, and sustaining employment, eliminating unfair practices, preventing the destruction of capital assets, and restoring prosperity to all those concerned.

This code is one of a number of supplementary codes covering various divisions of the real-estate business. It has been filed as a supplementary code to assist the Administration in bringing together under one coordinated plan the various national groups and associations of interests and activities affecting real estate.

### ARTICLE 2—DEFINITIONS

*Real Estate.*—Land, land and improvements, or improvements.

*Insurance.*—All forms of insurance pertaining to the ownership and operation of real estate.

*Brokerage business.*—The selling or buying of real estate or interests therein for others for a commission or fee, or the counselling and advising on matters pertaining to real estate for a fee, or the leasing or renting of real estate for a commission or fee, or the selling of insurance for a commission or fee.

*Member.*—Any individual, partnership, association, trust, or corporation subscribing to or coming under the control of this code.

*Interests and activities.*—Operation of real estate by an owner, to which this code is applicable, and the substantial engagement as principal, fiduciary, agent, or counsellor in the sale or leasing of real estate; renting and management of real estate; brokerage of insurance connected with the ownership and operation of real estate; subdivision and development of real estate, including erection of dwellings thereon; making, negotiating, and servicing of mortgages on real estate; and the appraisal of real estate.

*National Real Estate and Insurance Brokerage Code Committee.*—The Committee charged with the responsibility and authority to administer this code under the direction of the National Recovery Administration.

*Subcommittees.*—Committees elected by local groups or associations responsible and subject to the National Real Estate and Insurance Brokerage Code Committee.

### ARTICLE 3—MAXIMUM HOURS, MINIMUM WAGES

On and after the effective date of this code, maximum hours and rate of minimum wages shall be as follows:

Occupation	Maximum hrs. per week	Minimum weekly wage			Towns under 2,500	
		Over 500,000	250,000 to 500,000	2,500 to 250,000		
Clerical employees, not including executives.....	40	\$15.00	\$14.50	\$14.00	\$12.00	All wages in towns of less than 2,500 population to be increased by not less than 20%, provided that this shall not require wages in excess of amounts shown in next column to the left.
Junior office employees who are learning the business, 19 to 20 yrs. of age, inclusive.....	40	\$12.00	\$11.50	\$11.00	\$9.00	
Junior office employees who are learning the business, 16 to 18 yrs. of age, inclusive.....	40	\$10.00	\$9.50	\$9.00	\$7.00	

1. In the event that a state law specifies a lower maximum number of hours or a higher minimum wage for any type or class of employees than is herein provided, no employees may be employed for more than the maximum number of hours or for a wage which is less than the minimum wage provided in such state law within that state.

2. When hours worked per week are less than maximum hours shown, the minimum rate per hour shall be determined by dividing the minimum rate per week by the maximum hours.

3. Employees may be employed in excess of maximum hours shown in case of emergency maintenance and repair work if time and a third is paid for all hours in excess of maximum.

4. In the District of Columbia and the following states, Maryland, West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Oklahoma, Arkansas, Tennessee, and Kentucky, all rates shown shall be reduced by 10%.

5. Due to seasonal variations, clerical and junior office employees may be worked more than 40 hours per week but not to exceed 48 hours per week at regular wages, provided the total hours worked in any 6 months' period shall not exceed an average of 40 hours per week.

6. Salesmen, solicitors, and rental men working a major part of their time outside of the office, and building managers, caretakers, or custodians, whose chief remuneration is free rent of quarters occupied, are exempt under this code as to the provisions of hours and wages.

### ARTICLE 4—LABOR RELATIONS

Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain

from joining, organizing, or assisting a labor organization of his own choosing.

Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

After the effective date no member shall employ any person under sixteen years of age; provided, however, that where a state law specifies a higher minimum age, no person below the age so specified by such law shall be employed within that state.

The right of employer and employee to bargain together free from interference by any third party shall not be affected by this code.

#### ARTICLE 5—GENERAL UNFAIR COMPETITIVE PRACTICES

Under this code the following practices shall be considered unfair:

1. Offering to transact or transacting business for a compensation which is determined on a basis less than the established rates under this code.

2. Paying commissions or fees to or dividing commissions or fees with other than members substantially engaged in activities as set out in Article 2.

3. Using any trade name or insignia of membership in any organization unless entitled to use it.

4. Acceptance of or charging any undisclosed commission, rebate, or profit on expenditures made for a principal.

5. Seeking prospects or purchasers for real estate by offering the public free lots, lottery, contest prizes, or other similar inducements without adequate consideration therefore.

6. Acting in the dual capacity of agent and undisclosed principal in any transaction.

#### ARTICLE 6—COMMISSIONS AND FEES

Uniform minimum commissions and fees shall be established by local associations or subcommittees in accordance with local custom and practice. If such schedules of minimum commissions and fees established by local associations or subcommittees are submitted to the National Real Estate and Insurance Brokerage Code Committee and are by it approved, they shall thereupon become a part of this code. Until such commissions and fees shall have been so established, the present minimum schedules now in effect in the various communities shall continue.

#### ARTICLE 7—COLLECTION OF DATA

The National Real Estate and Insurance Brokerage Code Committee shall have authority to make surveys and to compile such reports as it may deem necessary for the accomplishment of the purposes of the National Industrial Recovery Act. The Committee may also collect such statistics and information as it may deem desirable in order to develop recommendations for the improvement of real estate interests and activities and may assess against all members, equitably, the expenses incident to the administration of this code under such rules and regulations as may be approved by the President under Section 10-A of Title I of the National Industrial Recovery Act.

## ARTICLE 8—GENERAL PROVISIONS

No provision of this code shall be interpreted or applied in such manner as to promote a monopoly or to eliminate or oppress small enterprises and will not operate to discriminate against them and will tend to effectuate the policy of Title I.

This code may be amended from time to time by the National Real Estate and Insurance Brokerage Code Committee subject to the approval of the President.

The President may from time to time cancel or modify any order, approval, license, rule, or regulation issued under Title I of the N.I.R.A., and any of the provisions of this code shall from time to time be cancelled or modified to the extent necessary to conform thereto.

To the extent required or permitted by or under the provisions of Title I of the National Industrial Recovery Act, the provisions of this code shall apply to and be binding upon every member whether or not the member shall have signed an agreement to comply with this code.

## ARTICLE 9—ADMINISTRATION

The administration of this code shall be vested in a committee to be known as the National Real Estate and Insurance Brokerage Code Committee, which shall consist of six members, elected so as to give representation to the various sections of the United States, appointed by the Chairman of the Brokers Division of the National Association of Real Estate Boards and approved by the Board of Directors of the National Association of Real Estate Boards.

This Committee shall have the authority and powers conferred upon it in this code and such other powers and duties as may be necessary to administer the code, subject however to the approval of the General Real Estate Code Committee as set up in the General Code Affecting Real Estate to which this Code is supplementary.

The Committee may hear complaints against members arising out of alleged violations of this code or of the National Industrial Recovery Act and may cause such complaints to be arbitrated and may initiate proceedings before the appropriate governmental agencies to prevent or to punish such violations.

Subcommittees.—Subcommittees may be appointed by local associations for specific purposes, with the approval of the National Real Estate and Insurance Brokerage Code Committee, which committee shall appoint one of its own members as an ex-officio member of such subcommittee.

NATIONAL ASSOCIATION OF REAL ESTATE BOARDS,

*Chicago, August 30, 1933.*

NATIONAL RECOVERY ADMINISTRATION,

*Control Division, Washington, D.C.*

GENTLEMEN: In submitting this code of fair competition for the Real Estate and Insurance Brokerage Business, the Brokers Division of the National Association of Real Estate Boards desires to call the attention of the Administration to the fact that during the past five years the business of real estate brokerage has shrunk until today it is approximately only 10% of the 1928 volume, as shown by the tabulations of an exhaustive questionnaire sent to nearly 12,000 members of the National Association of Real Estate Boards in 502 cities of the United States.

Insurance, limited to that type of insurance which is written in connection with the ownership or operation of real estate, has for many years been handled by practically all real estate brokers. It is universally and necessarily a function of the real estate broker and for that reason it has been included in this code.

The Brokers Division of the National Association of Real Estate Boards is comprised of the national leaders in this branch of the business and constitute the representative body of the whole Association in this field.

Particular attention is called to the copy of a letter of transmittal accompanying the General Code affecting Real Estate, to which the Appraisers' Code is supplementary.

Although at this time, in almost every case, the increased wages required by the code submitted must come out of capital and not out of earnings, and although because of the service nature of the real estate business most of its employment problems cannot be approached from the same angle as those of industry, this group in presenting its code has endeavored to meet the President's request in a manner calculated to materially assist the general recovery program and pledges the utmost cooperation in the working out of any further necessary details.

Very truly yours,

BROKERS DIVISION OF THE NATIONAL  
ASSOCIATION OF REAL ESTATE BOARDS,  
By H. CLIFFORD BANGS, *Chairman*.





## CODE OF FAIR COMPETITION FOR THE REAL ESTATE AND BUILDING MANAGEMENT BUSINESS

### A SUPPLEMENTARY CODE UNDER THE GENERAL CODE AFFECTING REAL ESTATE FILED BY THE NATIONAL ASSOCIATION OF REAL ESTATE BOARDS

#### ARTICLE 1—PURPOSE

This code is established in order to effectuate the policy of Title I of the National Industrial Recovery Act, by increasing purchasing power through the payment of fair wages to employees, by limiting hours of labor, increasing, spreading, and sustaining employment, eliminating unfair practices, preventing the destruction of capital assets, and restoring prosperity to all those concerned.

This code is one of a number of supplementary codes covering various divisions of the real estate business. It has been filed as a supplementary code to assist the Administration in bringing together under one coordinated plan the various national groups and associations of interests and activities affecting real estate.

#### ARTICLE 2—DEFINITIONS

*Real Estate.*—Land, land and improvements, or improvements.

*Real-Estate Management Business.*—The leasing, renting, and management of real estate.

*Interests and Activities.*—Operation of real estate by an owner to which this code is applicable and the substantial engagement as principal, fiduciary, agent or councillor in the sale or leasing of real estate, renting and management of real estate, brokerage of insurance connected with the ownership and operation of real estate, subdivision and development of real estate including erection of dwellings thereon, making, negotiating, and servicing of mortgages on real estate, and appraisal of real estate.

*Member.*—Any individual, partnership, association, trust, or corporation subscribing to or coming under the control of this code.

*National Real Estate and Building Management Code Committee.*—The Committee charged with responsibility and authority to administer this code under the direction of the National Recovery Administration.

*Subcommittees.*—Committees elected by cooperating associations, responsible and subject to the National Real Estate and Building Management Code Committee.

*Effective Date.*—The second Monday after this code shall have been approved by the President of the United States.

### ARTICLE 3—MAXIMUM HOURS, MINIMUM WAGES

On and after the effective date of this code, maximum hours and rate of minimum wages shall be as follows:

Occupation	Maximum hours per week	Minimum weekly wage			Towns under 2,500
		Over 500,000	250,000 to 500,000	2,500 to 250,000	
Clerical employees, not including executives.....	40	\$15. 00	\$14. 50	\$14. 00	\$12. 00
Junior office employees who are learning the business, 19 to 20 years of age, inclusive.....	40	12. 00	11. 50	11. 00	9. 00
Junior office employees who are learning the business, 16 to 18 years of age, inclusive.....	40	10. 00	9. 50	9. 00	7. 00
Office-building and business-property operating employees.....	48	15. 00	14. 50	14. 00	12. 00
Apartment-, industrial-, and loft-building operating employees working regular consecutive hours.....	54	15. 00	14. 50	14. 00	12. 00

All wages in towns of less than 2,500 population to be increased by not less than 20%, provided that this shall not require wages in excess of amounts shown in next column to the left.

1. In the event that a state law specifies a lower maximum number of hours or a higher minimum wage for any type or class of employees, than is herein provided, no employees may be employed for more than the maximum number of hours or for a wage which is less than the minimum wage provided in such state law within that state.

2. When hours worked per week are less than maximum hours shown, the minimum rate per hour shall be determined by dividing the minimum rate per week by the maximum hours.

3. Employees may be employed in excess of maximum hours shown in case of emergency maintenance and repair work if time and a third is paid for all hours in excess of maximum.

4. In the District of Columbia and the following states, Maryland, West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Oklahoma, Arkansas, Tennessee, and Kentucky, all rates shown shall be reduced by 10%.

5. Due to seasonal variations, clerical and junior office employees may be worked more than 40 hours per week but not to exceed 48 hours per week at regular wages provided the total hours worked in any 6-month period shall not exceed an average of 40 hours per week.

6. Salesmen, solicitors, and rental men working a major part of their time outside of the office, and building managers, caretakers, or custodians, whose chief remuneration is free rent of quarters occupied, are exempt under this code as to the provisions of hours and wages.

7. Apartment employees, including janitors, managers, custodians, caretakers, and others whose duties are such that they cannot work consecutive hours but require intermittent attendance, and watchmen of all kinds shall not be subject to any maximum hours limitation but shall have their present wages increased by not less than twenty percent, provided that this shall not require wages in excess of the minimum set out above for consecutive hours apartment operating employees for cities of different sizes.

## ARTICLE 4—LABOR RELATIONS

Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing or assisting a labor organization of his own choosing.

Employers shall comply with the maximum hours of labor, minimum rates of pay and other conditions of employment, approved or prescribed by the President.

After the effective date no member shall employ any person under sixteen years of age; provided, however, that where a State law specifies a higher minimum age, no person below the age so specified by such law shall be employed within that state.

The right of employer and employee to bargain together free from interference by any third party shall not be affected by this code.

## ARTICLE 5—GENERAL UNFAIR COMPETITIVE PRACTICES

Under this code the following practices shall be considered unfair:

1. Offering to transact or transacting business for a compensation which is determined on a basis less than the established rates under this code.

2. Paying commissions or fees to or dividing commissions or fees with other than members substantially engaged in activities as set out in Article 2.

3. Using any trade name or insignia of membership in any organization unless entitled to use it.

4. Acceptance of or charging any undisclosed commission, rebate, or profit on expenditures made for a principal.

5. Acting in the dual capacity of agent and undisclosed principal in any transaction.

## ARTICLE 6—COMMISSIONS AND FEES

Uniform minimum commissions and fees shall be established by local associations or subcommittees in accordance with local custom and practice. If such schedules of minimum commissions and fees established by local associations or subcommittees are submitted to the Real Estate and Building Management Code Committee and are by it approved, they shall thereupon become a part of this code. Until such commissions and fees shall have been so established, the present minimum schedules now in effect in the various communities shall continue.

## ARTICLE 7—COLLECTION OF DATA

The National Real Estate and Building Management Code Committee shall have authority to make surveys and to compile such reports as it may deem necessary for the accomplishment of the

purposes of the National Industrial Recovery Act. The Committee may also collect such statistics and information as it may deem desirable in order to develop recommendations for the improvement of real estate interests and activities and may assess against all members, equitably, the expenses incident to the administration of this code under such rules and regulations as may be approved by the President under Section 10-A of Title I of the National Industrial Recovery Act.

#### ARTICLE 8—GENERAL PROVISIONS

No provisions of this code shall be interpreted or applied in such manner as to promote a monopoly or to eliminate or oppress small enterprises and will not operate to discriminate against them and will tend to effectuate the policy of Title I.

This code may be amended from time to time by the General Code Committee subject to the approval of the President.

The President may from time to time cancel or modify any order, approval, licence, rule, or regulation issued under Title I of the N.I.R.A. and any of the provisions of this code shall from time to time be cancelled or modified to the extent necessary to conform thereto.

To the extent required or permitted by or under the provisions of Title I of the National Industrial Recovery Act, the provisions of this code shall apply to and be binding upon every member whether or not the member shall have signed an agreement to comply with this code.

#### ARTICLE 9—ADMINISTRATION

The administration of this code shall be vested in a committee to be known as the National Real Estate and Building Management Code Committee, which shall consist of six members, elected so as to give representation to the various sections of the United States, appointed by the President of the Institute of Real Estate Management formerly the Property Management Division of the National Association of Real Estate Boards and approved by the Board of Directors of the National Association of Real Estate Boards. This Committee shall have the authority and powers conferred upon it in this code and such other powers and duties as may be necessary to administer the code subject, however, to the approval of the General Real Estate Code Committee as set up in the General Code Affecting Real Estate to which this Code is supplementary. The Committee may hear complaints against members arising out of alleged violations of this code or of the National Industrial Recovery Act and may cause such complaints to be arbitrated and may initiate proceedings before the appropriate governmental agencies to prevent or to punish such violations.

*Subcommittees.*—Subcommittees may be appointed by local groups or associations for specific purposes with the approval of the National Real Estate and Building Management Code Committee, which committee shall appoint one of its own members as an ex-officio member of such subcommittee.

NATIONAL ASSOCIATION OF REAL ESTATE BOARDS,  
August 29, 1933.

NATIONAL RECOVERY ADMINISTRATION,  
Control Division, Washington, D.C.

GENTLEMEN: In submitting this code of fair competition for the real-estate and building-management business, The Institute of Real Estate Management (formerly the Property Management Division) of the National Association of Real Estate Boards desires to call the attention of the Administration particularly to the following conditions existing in the business.

The Institute of Real Estate Management of the National Association of Real Estate Boards is composed of those who are leaders in this branch of the business and constitutes the representative body of the whole Association in this field.

Attention is called to the fact that a code covering the field of Office and Loft Building Industry has been filed by the National Association of Building Owners and Managers and that another code covering the field of Apartment Building Industry has been or will be filed by the same Association. Attention is also called to the fact that a code covering the Apartment House Industry has been or will shortly be filed by the National Association of Apartment House Owners. The Institute of Real Estate Management and the National Association of Real Estate Boards as a whole have cooperated and desire to continue to cooperate with the two associations mentioned above and any others that may be representative of the business, in the working out of final details of a code for the real-estate and building-management business.

Particular attention is called to the attached copy of a letter of transmittal of a general code affecting real estate, regarding the coordination of the real-estate and building-management business and other interests and activities affecting real estate through this general code.

Attention is also called to the fact that a rather unusual condition exists as to operating employees in the apartment-building field. After a very detailed and careful study of the situation it is our opinion that these operating employees should be divided into two general classes; those whose duties can be performed in regular and consecutive hours of labor, and those whose duties are such that they require intermittent but not continuous hours of labor.

In the first class are employees in those large buildings where more than one person is normally employed. This type of employee is now generally working from ten to twelve hours per day, frequently seven days per week. The fifty-four-hour week proposed for this class will require the employment of a great many more people and will add materially to the pay roll of buildings, most of which are in receivership or financial difficulty. In order to minimize the burden being placed upon the owners of these buildings at this time we hope that the Administration will give careful consideration to these facts and grant the maximum of fifty-four hours.

In the second group are included the janitors, custodians, and managers of the tens of thousands of smaller apartment buildings in all of our cities, commonly referred to as "walk-up" apartments. The duties of these employees are such that they do not require continuous attention but because of the necessity of tending fires and showing vacant apartments to prospects usually require residence in the property. These buildings also are producing very little, if any, net income. Many are in receivership and financial difficulty. After careful and thorough discussion with owners and managers of this type of property from all over the United States, keeping constantly in mind the objectives of the Administration, we believe that this type of employees should not be subject to maximum-hour restrictions. It is a general practice in the smaller buildings for one janitor to service several buildings, often under several owners or agents. It is almost impossible to measure his work on an hour basis. The suggested arbitrary increase of not less than 20% in the present wages of this type of employee will effectuate the purposes of the N.I.R.A. and will greatly simplify administration of the code. Inasmuch as buildings of this type are common in all parts of the United States, the working out of the provisions for the employees servicing them is a problem of major importance. The fact that it was not originally included in the apartment house code of the National Association of Building Owners and Managers is probably due to the fact that most of the buildings represented by that organization are of the fireproof elevator type where it is practical to work employees on a consecutive-hour basis. Many of these buildings are located in New York and a few other large cities.

Although at this time, in almost every case, the increased wages required by this code must come out of capital and not out of earnings, and although because

of the service nature of the real-estate and building-management business its employment problems cannot be approached from the same angle as those of industry, this group in presenting its code has endeavored to meet the President's request in a manner calculated to materially assist the general recovery program and pledges the utmost cooperation in the working out of any further necessary details.

Very truly yours,

THE INSTITUTE OF REAL ESTATE MANAGEMENT,  
NATIONAL ASSOCIATION OF REAL ESTATE BOARDS,  
By KENNETH C. BROWN, *President*.

## CODE OF FAIR COMPETITION FOR THE REAL ESTATE MORTGAGE BUSINESS

### A SUPPLEMENTARY CODE UNDER THE GENERAL CODE AFFECTING REAL ESTATE FILED BY THE NATIONAL ASSOCIATION OF REAL ESTATE BOARDS

#### ARTICLE 1—PURPOSE

This code is established in order to effectuate the policy of Title I of the National Industrial Recovery Act, by increasing purchasing power through the payment of fair wages to employees, by limiting hours of labor, increasing, spreading, and sustaining employment, eliminating unfair practices, preventing the destruction of capital assets, and restoring prosperity to all those concerned.

This code is one of a number of supplementary codes covering various divisions of the real estate business. It has been filed as a supplementary code to assist the Administration in bringing together under one coordinated plan the various national groups and associations of interests and activities affecting real estate.

#### ARTICLE 2—DEFINITIONS

*Real Estate.*—Land, land and improvements, or improvements.

*Mortgage Business.*—The making, negotiating, and servicing of mortgages on real estate.

*Interests and activities.*—Operation of real estate by an owner, to which this code is applicable and the substantial engagement as principal, fiduciary, agent, or councillor in the sale or leasing of real estate, renting and management of real estate, brokerage of insurance connected with the ownership and operation of real estate, subdivision and development of real estate including erection of dwellings thereon, making, negotiating, and servicing of mortgages on real estate, and appraisal of real estate.

*Member.*—Any individual, partnership, association, trust, or corporation subscribing to or coming under the control of this code.

*National Real Estate Mortgage Code Committee.*—The Committee charged with responsibility and authority to administer this code under the direction of the National Recovery Administration.

*Subcommittees.*—Committees appointed by cooperating groups or associations, responsible and subject to the National Real Estate Mortgage Code Committee.

*Effective Date.*—The second Monday after this code shall have been approved by the President of the United States.

### ARTICLE 3—MAXIMUM HOURS, MINIMUM WAGES

On and after the effective date of this code, maximum hours and rate minimum wages shall be as follows:

Occupation	Maximum hours per week	Minimum weekly wage			Towns under 2,500	
		Over 500,000	250,000 to 500,000	2,500 to 250,000		
Clerical employees and field men; not including executives.....	40	\$15.00	\$14.50	\$14.00	\$12.00	All wages in towns of less than 2,500 population to be increased by not less than 20% provided that this shall not require wages in excess of amounts shown in next column to the left.
Junior office employees who are learning the business, 19 to 20 years of age, incl.....	40	12.00	11.50	11.00	9.00	
Junior office employees who are learning the business, 16 to 18 years of age, incl.....	40	10.00	9.50	9.00	7.00	

1. In the event that a state law specifies a lower maximum number of hours or a higher minimum wage for any type or class of employees, than is herein provided, no employees may be employed for more than the maximum number of hours or for a wage which is less than the minimum wage provided in such state law within that state.

2. In the District of Columbia and the following states, Maryland, West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi Louisiana, Texas, Oklahoma, Arkansas, Tennessee, and Kentucky, all rates shown shall be reduced by 10%.

3. Due to seasonal variations clerical and junior office employees may be worked more than 40 hours per week but not to exceed 48 hours per week at regular wages provided the total hours worked in any 6 months' period shall not exceed an average of 40 hours per week.

4. The minimum rates of wages provided for herein shall not be interpreted so as to reduce wages now being paid which are in greater amount than the minimum wage provisions of this code, even though the hours of work are reduced.

### ARTICLE 4—LABOR RELATIONS

Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

After the effective date no member shall employ any person under sixteen years of age; provided, however, that where a state law



specifies a higher minimum age no person below the age so specified by such law shall be employed within that State.

The right of employer and employee to bargain together free from interference by any third party shall not be affected by this code.

#### ARTICLE 5—GENERAL UNFAIR COMPETITIVE PRACTICES

Under this code the following practices shall be considered unfair:

1. Offering to transact or transacting business for a compensation which is determined on a basis less than the established rates under this code.

2. Paying commissions or fees to or dividing commissions or fees with other than members substantially engaged in activities as set out in Article 2.

3. Using any trade name or insignia of membership in any organization unless entitled to use it.

4. Acceptance of or charging any undisclosed commission, rebate, or profit on expenditures made for a principal.

#### ARTICLE 6—COMMISSIONS AND FEES

Uniform minimum commissions and fees shall be established by local associations or subcommittees in accordance with local custom and practice. If such schedules of minimum commissions and fees established by local associations or subcommittees are submitted to the National Real Estate Mortgage Code Committee and are by it approved, they shall thereupon become a part of this code. Until such commissions and fees shall have been so established, the present minimum schedules now in effect in the various communities shall continue.

#### ARTICLE 7—COLLECTION OF DATA

The National Real Estate Mortgage Code Committee shall have authority to make surveys and to compile such reports as it may deem necessary for the accomplishment of the purposes of the National Industrial Recovery Act. The Committee may also collect such statistics and information as it may deem desirable in order to develop recommendations for the improvement of real estate interests and activities and may assess against all members, equitably, the expenses incident to the administration of this code under such rules and regulations as may be approved by the President under Section 10-A of Title I of the National Industrial Recovery Act.

#### ARTICLE 8—GENERAL PROVISIONS

No provision of this code shall be interpreted or applied in such manner as to promote a monopoly or to eliminate or oppress small enterprises and will not operate to discriminate against them and will tend to effectuate the policy of Title I.

This code may be amended from time to time by the National Real Estate Mortgage Code Committee subject to the approval of the President.

The President may from time to time cancel or modify any order, approval, license, rule, or regulation issued under Title I of the National Industrial Recovery Act and any of the provisions of this

code shall from time to time be cancelled or modified to the extent necessary to conform thereto.

To the extent required or permitted by or under the provisions of Title I of the National Industrial Recovery Act, the provisions of this code shall apply to and be binding upon every member whether or not the member shall have signed an agreement to comply with this code.

#### ARTICLE 9—ADMINISTRATION

The administration of this code shall be vested in a committee to be known as the National Real Estate Mortgage Code Committee, which shall consist of six members, selected so as to give representation to the various sections of the United States, appointed by the Chairman of the Mortgage and Finance Division of the National Association of Real Estate Boards and approved by the Board of Directors of the National Association of Real Estate Boards.

This Committee shall have the authority and powers conferred upon it in this code and such other powers and duties as may be necessary to administer the code, subject however to the approval of the General Real Estate Code Committee as set up in the General Code Affecting Real Estate to which this code is supplementary. The Committee may hear complaints against members arising out of alleged violations of this code or of the National Industrial Recovery Act and may cause such complaints to be arbitrated and may initiate proceedings before the appropriate governmental agencies to prevent or to punish such violations.

*Subcommittees.*—Subcommittees may be appointed by local groups or associations for specific purposes with the approval of the National Real Estate Mortgage Code Committee, which committee shall appoint one of its own members as an ex officio member of such subcommittee.

NATIONAL ASSOCIATION OF REAL ESTATE BOARDS,  
*Chicago, August 30, 1933.*

NATIONAL RECOVERY ADMINISTRATION,  
*Control Division, Washington, D.C.*

GENTLEMEN: In submitting this code of fair competition for the real-estate mortgage business the Mortgage and Finance Division of the National Association of Real Estate Boards desires to call the attention of the Administration to the fact that during the past three or four years the income of the mortgage business has been very materially reduced due to inability to make or negotiate mortgages, and that during this time of greatly decreased income the labor connected with the servicing of mortgages previously made has increased manifold. Payment of taxes must be checked and rechecked and the problem of collections and foreclosures adds a heavy burden.

The Mortgage and Finance Division of the National Association of Real Estate Boards is comprised of those who are the national leaders in this branch of the business and constitute the representative body of the whole Association in this field.

Attention is called to the fact that a code covering this same field has been or will soon be filed with the Administration by the Mortgage Bankers Association of America. This Division has cooperated and desires to continue to cooperate with the Mortgage Bankers Association in the working out of final details of a code for the mortgage business.

Particular attention is called to the attached copy of a letter of transmittal of a general code affecting real estate, regarding the coordination of the real-estate mortgage business and other interests and activities affecting real estate through this general code.

Although at this time in almost every case the increased wages required by the code submitted must come out of capital and not out of earnings, and although because of the service nature of the real-estate business most of its employment

problems cannot be approached from the same angle as those of industry, this group in presenting its code has endeavored to meet the President's request in a manner calculated to materially assist the general recovery program and pledges the utmost cooperation in the working out of any further necessary details.

Yours very truly,

MORTGAGE AND FINANCE DIVISION,  
NATIONAL ASSOCIATION OF REAL ESTATE BOARDS,  
By AUGUST C. SEHRT, *Chairman*.



## CODE OF FAIR COMPETITION FOR THE LAND DEVELOPMENT AND HOME BUILDING BUSINESS

A SUPPLEMENTARY CODE UNDER THE GENERAL CODE AFFECTING REAL ESTATE FILED BY THE NATIONAL ASSOCIATION OF REAL ESTATE BOARDS

### ARTICLE 1—PURPOSE

This code is established in order to effectuate the policy of Title I of the National Industrial Recovery Act, by increasing purchasing power through the payment of fair wages to employees, by limiting hours of labor, increasing, spreading, and sustaining employment, eliminating unfair practices, preventing the destruction of capital assets, and restoring prosperity to all those concerned.

This code is one of a number of supplementary codes covering various divisions of the real estate business. It has been filed as a supplementary code to assist the Administration in bringing together under one coordinated plan the various national groups and associations of interests and activities affecting real estate.

### ARTICLE 2—DEFINITIONS

*Real Estate.*—Land, land and improvements, or improvements.

*Interests and Activities.*—Operation of real estate by an owner to which this code is applicable and the substantial engagement as principal, fiduciary, agent or counselor in the sale or leasing of real estate, renting and management of real estate, brokerage of insurance connected with the ownership and operation of real estate, subdivision and development of real estate including erection of dwellings thereon, making, negotiating and servicing of mortgages on real estate, appraisal of real estate.

*Land Development and Home Building Business.*—Engagement as principal or agent in the preparation and improvement of land for dwelling sites and the erection, alteration or remodeling of dwellings thereon.

*Member.*—Any individual, partnership, association, trust or corporation subscribing to or coming under the control of this code.

*National Land Development and Home Building Code Committee.*—The Committee charged with responsibility and authority to administer this code under the direction of the National Recovery Administration.

*Subcommittees.*—Committees elected by cooperating associations, responsible and subject to the National Land Development and Home Building Code Committee.

*Effective Date.*—The second Monday after this code shall have been approved by the President of the United States.

## ARTICLE 4—MAXIMUM HOURS, MINIMUM WAGES

On and after the effective date of this code, maximum hours and rate of minimum wages shall be as follows:

Occupation	Maximum hours per week	Minimum weekly wage			Towns under 2,500
		Over 500,000	250,000 to 500,000	2,500 to 250,000	
Clerical employees, not including executives.	40	\$15. 00	\$14. 50	\$14. 00	\$12. 00
Junior office employees who are learning the business, 19 to 20 years of age, inclusive.	40	12. 00	11. 50	11. 00	9. 00
Junior office employees who are learning the business, 16 to 18 years of age, inclusive.	40	10. 00	9. 50	9. 00	7. 00
Land development and land maintenance employees.	40	15. 00	14. 50	14. 00	12. 00
Home building employees.....	40	16. 00	15. 60	15. 20	14. 80

All wages in towns of less than 2,500 population to be increased by not less than 20% provided that this shall not require wages in excess of amounts shown in next column to the left.

1. In the event that a state law specifies a lower maximum number of hours or a higher minimum wage for any type or class of employees, than is herein provided, no employees may be employed for more than the maximum number of hours or for a wage which is less than the minimum wage provided in such state law within that state.

2. When hours worked per week are less than maximum hours shown, the minimum rate per hour shall be determined by dividing the minimum rate per week by the maximum hours.

3. Employees may be employed in excess of maximum hours shown in case of emergency maintenance and repair work if time and a third is paid for all hours in excess of maximum.

4. In the District of Columbia and the following states: Maryland, West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Oklahoma, Arkansas, Tennessee, and Kentucky all rates shown shall be reduced by 10%.

5. Land-development, land-maintenance, and home-building employee's hours in excess of the maximum shown may be worked at the regular rate per hour to compensate for time lost through climatic conditions, provided that not over 8 hours in any day, 48 hours in any week, nor an average of over 40 hours per week any six months' period shall be worked.

6. Due to seasonal variations, clerical- and junior-office employees may be worked more than 40 hours per week but not to exceed 48 hours per week at regular wages, provided the total hours worked in any 6 months' period shall not exceed an average of 40 hours per week.

7. Salesmen, solicitors, and rental men working a major part of their time outside of the office, and building managers, caretakers, or custodians, whose chief remuneration is free rent of quarters occupied, are exempt under this code as to the provisions of hours and wages.

8. The minimum rates of wages provided for herein shall not be interpreted so as to reduce wages now being paid which are in greater amount than the minimum wage provisions of this code, even though the hours of work are reduced.

## ARTICLE 4—LABOR RELATIONS

Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

After the effective date no member shall employ any person under sixteen years of age; provided, however, that where a state law specifies a higher minimum age, no person below the age so specified by such law shall be employed within that state.

The right of employer and employee to bargain together free from interference by any third party shall not be affected by this code.

## ARTICLE 5—GENERAL UNFAIR COMPETITIVE PRACTICES

Under this code the following practices shall be considered unfair:

1. Offering to transact or transacting business for a compensation which is determined on a basis less than the established rates under this code.

2. Paying commissions or fees to or dividing commissions or fees with other than members substantially engaged in activities as set out in Article 2.

3. Using any trade name or insignia of membership in any organization unless entitled to use it.

4. Acceptance of or charging any undisclosed commission, rebate, or profit on expenditures made for a principal.

5. Seeking prospects or purchasers for real estate by offering the public free lots, lottery, contest prizes or other similar inducements without adequate consideration therefor.

6. Acting in the dual capacity of agent and undisclosed principal in any transaction.

7. Engaging in the practice known as bid peddling.

## ARTICLE 6—COMMISSIONS AND FEES

Uniform minimum commissions and fees shall be established by local associations or subcommittees in accordance with local custom and practice. If such schedules of minimum commissions and fees established by local associations or subcommittees are submitted to the National Land Development and Home Building Code Committee and are by it approved, they shall thereupon become a part of this code. Until such commissions and fees shall have been so established, the present minimum schedules now in effect in the various communities shall continue.

## ARTICLE 7—COLLECTION OF DATA

The National Land Development and Home Building Code Committee shall have authority to make surveys and to compile such reports as it may deem necessary for the accomplishment of the purposes of the National Industrial Recovery Act. The Committee may also collect such statistics and information as it may deem desirable in order to develop recommendations for the improvement of real estate interests and activities and may assess against all members, equitably, the expenses incident to the administration of this code under such rules and regulations as may be approved by the President under Section 10-A of Title I of the National Industrial Recovery Act.

## ARTICLE 8—GENERAL PROVISIONS

No provision of this code shall be interpreted or applied in such manner as to promote a monopoly or to eliminate or oppress small enterprises and will not operate to discriminate against them and will tend to effectuate the policy of Title I.

This code may be amended from time to time by the National Land Development and Home Building Code Committee subject to the approval of the President.

The President may from time to time cancel or modify any order, approval, license, rule, or regulation issued under Title I of the N.I.R.A. and any of the provisions of this code shall from time to time be cancelled or modified to the extent necessary to conform thereto.

To the extent required or permitted by or under the provisions of Title I of the National Industrial Recovery Act, the provisions of this code shall apply to and be binding upon every member whether or not the member shall have signed an agreement to comply with this code.

## ARTICLE 9—ADMINISTRATION

The administration of this code shall be vested in a committee to be known as the National Land Development and Home Building Code Committee, which shall consist of six members, elected so as to give representation to the various sections of the United States, appointed by the Chairman of the Land Developers and Home Builders Division of the National Association of Real Estate Boards and approved by the Board of Directors of the National Association of Real Estate Boards. This Committee shall have the authority and powers conferred upon it in this code and such other powers and duties as may be necessary to administer the code, subject, however, to the approval of the General Real Estate Code Committee as set up in the General Code Affecting Real Estate to which this code is supplementary. The Committee may hear complaints against members arising out of alleged violations of this code or of the National Industrial Recovery Act and may cause such complaints to be arbitrated and may initiate proceedings before the appropriate governmental agencies to prevent or to punish such violations.

*Subcommittees.*—Subcommittees may be elected by local groups or associations for specific purposes with the approval of the National Land Development and Home Building Code Committee, which



committee shall appoint one of its own members as an ex officio member of such subcommittee.

NATIONAL ASSOCIATION OF REAL ESTATE BOARDS,  
*Chicago, August 30, 1933.*

NATIONAL RECOVERY ADMINISTRATION,  
*Control Division, Washington, D.C.*

GENTLEMEN: In submitting this code of fair competition of the Land Development and Home Building Business, the Land Developers and Home Builders Division of the National Association of Real Estate Boards desires to call the attention of the Administration to the peculiar conditions and problems confronting this business.

The Land Developers and Home Builders Division is composed of those who are the leaders in this branch of the real estate business and constitutes the representative body of the whole National Association in this field and is representative of the larger portion of the Land Development and Home Building Business of the United States.

Attention is called to the fact that a code has been filed by the Construction League covering the construction industry, which might be interpreted to include the Home Building Business. Inasmuch as the Home Building Business has always been largely composed of small business units and never has conformed and cannot now conform to the standards of costs which are common to the construction industry, it is believed that the inclusion of the Home Building Business under any code other than one including its allied business, the development of the site, will not only tend to oppress and destroy the business of those now constituting it, but will place further and undesirable obstacles in the path of home ownership.

Attention is also called to the fact that a code has been or shortly will be filed by the Residential Contractors Association, and it is the desire of the Land Development and Home Builders Division to cooperate fully in the final working out of a code covering this branch of the business.

Particular attention is called to the attached copy of a letter of transmittal of a general code affecting real estate, regarding the coordination of land development and home building business and other interests and activities affecting real estate, through this general code.

This Division pledges its utmost cooperation in the working out of any further necessary details.

Very truly yours,

LAND DEVELOPERS AND HOME BUILDERS DIVISION,  
NATIONAL ASSOCIATION OF REAL ESTATE BOARDS,  
By GUY T. O. HOLLYDAY, *Chairman.*



## CODE OF FAIR COMPETITION FOR THE PROFESSION AND BUSINESS OF REAL-ESTATE APPRAISING

### A SUPPLEMENTARY CODE UNDER THE GENERAL CODE AFFECTING REAL ESTATE FILED BY THE NATIONAL ASSOCIATION OF REAL- ESTATE BOARDS

#### ARTICLE 1—PURPOSE

This code is established in order to effectuate the policy of Title I of the National Industrial Recovery Act, by increasing purchasing power through the payment of fair wages to employees, by limiting hours of labor, increasing, spreading, and sustaining employment, eliminating unfair practices, and restoring prosperity to all those concerned.

This code is one of a number of supplementary codes covering various divisions of the real-estate business. It has been filed as a supplementary code to assist the Administration in bringing together under one coordinated plan the various national groups and associations of interests and activities affecting real estate.

#### ARTICLE 2—DEFINITIONS

*Real Estate.*—Land, land and improvements, or improvements.

*Interests and Activities.*—Operation of real estate, by an owner to which this code is applicable and the substantial engagement as principal, fiduciary, agent, or counselor in the sale or leasing of real estate, renting and management of real estate, brokerage of insurance connected with the ownership and operation of real estate, subdivision and development of real estate, including erection of dwellings thereon, making, negotiating, and servicing of mortgages on real estate, appraisal of real estate.

*Real-Estate Appraisal.*—A determination of the utility, price, or value of real estate or an interest therein.

*Profession of Real-Estate Appraising.*—Engagement in making real estate appraisals for others for a fee, by an individual who has qualified under the standards and subjected himself to the regulations and discipline of a representative professional society such as the American Institute of Real-Estate Appraisers of the National Association of Real-Estate Boards.

*Business of Real-Estate Appraising.*—Substantial engagement in the making of real-estate appraisals for others for a fee, on the part of any individual, partnership, firm, association, trust, or corporation.

*Member.*—Any individual engaged in the profession, or any individual, partnership, firm, association, trust, or corporation engaged in the business of real-estate appraising who subscribes to or comes under the control of this code.

*National Real-Estate Appraisal Code Committee.*—The Committee charged with responsibility and authority to administer this code under the direction of the National Recovery Administration.

*Subcommittees.*—Committees appointed by cooperating associations, responsible and subject to the National Real-Estate Appraisal Code Committee.

*Effective Date.*—The second Monday after this code shall have been approved by the President of the United States.

### ARTICLE 3—MAXIMUM HOURS, MINIMUM WAGES

On and after the effective date of this code, maximum hours and rate minimum wages shall be as follows:

Occupation	Maximum hrs. per week	Minimum weekly wage			Towns under 2,500	
		Over 500,000	250,000 to 500,000	2,500 to 250,000		
Clerical employees and field men, not including executives.	40	\$15. 00	\$14. 50	\$14. 00	\$12. 00	All wages in towns of less than 2,500 population to be increased by not less than 20%, provided that this shall not require wages in excess of amounts shown in next column to the left.
Junior office employees who are learning the business, 19 to 20 years of age, incl.	40	12. 00	11. 50	11. 00	9. 00	
Junior office employees who are learning the business, 16 to 18 years of age, incl.	40	10. 00	9. 50	9. 00	7. 00	

1. In the event that a state law specifies a lower maximum number of hours or a higher minimum wage for any type or class of employees, than is herein provided, no employees may be employed for more than the maximum number of hours or for a wage which is less than the minimum wage provided in such state law within that state.

2. In the District of Columbia and the following states, Maryland, West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Oklahoma, Arkansas, Tennessee, and Kentucky, all rates shown shall be reduced by 10%.

3. Due to seasonal variations, clerical and junior office employees may be worked more than 40 hours per week but not to exceed 48 hours per week at regular wages provided the total hours worked in any 6 months period shall not exceed an average of 40 hours per week.

4. The minimum rates of wages provided for herein shall not be interpreted so as to reduce wages now being paid which are in greater amount than the minimum wage provisions of this code, even though the hours of work are reduced.

### ARTICLE 4—LABOR RELATIONS

Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain

from joining, organizing, or assisting a labor organization of his own choosing.

Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

After the effective date no member shall employ any person under sixteen years of age; provided, however, that where a state law specifies a higher minimum age no person below the age so specified by such law shall be employed within that state.

The right of employer and employee to bargain together free from interference by any third party shall not be affected by this code.

## ARTICLE 5—STANDARDS OF UNFAIR AND FAIR PRACTICES

### CONTINGENT FEES

SECTION 1. It is unethical for an appraiser to accept an order to appraise a property if his employment or fee is contingent upon his reporting a predetermined or specified amount of value or is otherwise contingent upon any finding to be reported.

SEC. 2. It is unethical for an appraiser retained in cases where damages result from the exercise of the right of eminent domain, or result because of fraud, misrepresentation, etc., to make his compensation contingent upon the amount of, or to fix his compensation as a percentage of the damages which may be decreed by the Court deciding the issues in the case involved.

SEC. 3. It is unethical for an appraiser to accept an assignment to appraise a property when such assignment involves a bonus, a favor, or any special inducement other than a fair professional fee for the responsibility entailed and the work and expense involved.

### DISINTERESTED APPRAISALS

SECTION 1. It is unethical for an appraiser to issue an appraisal report if he is acting or intending to act in capacity of broker, loan broker, or manager, or if he has an ownership, contemplated future ownership, or any other interests in connection with the property appraised, unless such interest or interests be fully disclosed in the appraisal certificate.

### INDEPENDENT APPRAISALS

SECTION 1. It is unethical for appraisers who have been retained to make independent appraisals of a property to collaborate or consult with one another with reference to the appraisal, or to make use of the findings or figures developed or reported by any appraiser so retained.

SEC. 2. It is unethical for appraisers who have been retained to collaborate in the making of an appraisal to issue separate appraisal reports on the property appraised. They should sign a joint report, or if there be dissenting opinions these opinions should be stated in the report rather than in separate documents apart from the report.

## HYPOTHETICAL APPRAISALS

SECTION 1. It is unethical for an appraiser to issue an appraisal report with the value predicated on assumed rentals and expenses at variance with his best judgment of the probable market at the time at which the reported value obtains.

SEC. 2. It is unethical for an appraiser to issue an appraisal report on an investment property based on an earning expectancy which does not analyze and take note of existing leases.

SEC. 3. It is unethical for an appraiser to issue an appraisal report in which the reported value is based on the completion of public or private improvements which are not assured unless he clearly states that the appraisal is made on that hypothesis. Provided that, in any event, he must state in his report the conditions with regard to such improvements which he assumes in determining the value reported.

SEC. 4. It is unethical for an appraiser to issue an appraisal report in which the reported value is based on the assumed absence of any legal restriction, unless such assumption is reasonable or in accord with legal opinion accepted by the appraiser, and unless the legal authority and his opinion are quoted in the appraisal certificate, and it is expressly stated that the appraisal is contingent on such lawful restriction being changed or absent in accordance with the assumption.

## FRACTIONAL APPRAISALS

SECTION 1. It is unethical for an appraiser to issue an appraisal report on a fractional part of a property unless he specifically states that the value reported is invalidated if used in making a summation appraisal of the property as a whole.

SEC. 2. In appraising the security for a loan it is unethical for an appraiser to issue a certificate covering anything less than all of the property designated as security for the loan.

SEC. 3. In particular, in appraising the security for a lease-hold loan, it is unethical for an appraiser to issue a certificate of value of the improvement only, omitting the value of the leasehold, which latter may be positive, zero, or negative.

## SUMMATION APPRAISALS

SECTION 1. It is unethical for an appraiser to issue an appraisal report on a property in which the total reported value is derived by adding together the values of fractional parts of the property unless it is shown that no incompatible conditions were assumed in making the fractional appraisals.

SEC. 2. In particular, in appraising the security for a loan, the market price, market value, or other economic value of a property, it is unethical for an appraiser to issue an appraisal report on a property in which the total reported value is derived by adding together the market value of the land (or leasehold) as if unimproved, or the value of the land (or leasehold) as if improved to the highest and best use, and the reproduction cost of the improvements less accrued structural depreciation, unless other and conclusive evidence is given that this result equals the total value of the property considered as a unit.

SEC. 3. The restrictions of sections 1 and 2 immediately above do not apply where the appraisal report clearly states that the valuation is for the purpose of replacement or physical cost such as for fire-insurance purposes, re-creation of equivalent physical units, or the like.

#### ECONOMIC PROBABILITIES AND VALUE OF INVESTMENT PROPERTY

SECTION 1. It is unethical for an appraiser to issue an appraisal report on a construction project which does not give the appraiser's opinion of the economic soundness of the project.

SEC. 2. It is unethical for an appraiser to issue an appraisal report on an investment construction project without also reporting the assumed date of normal occupancy, his estimate of the reasonably expected earnings of the project upon completion as well as upon attaining the assumed normal average occupancy, and his estimate of net earnings or deficits during the period from completion to normal occupancy.

SEC. 3. If the value reported is the value which in the opinion of the appraiser will prevail when normal occupancy is attained, it is unethical for the appraiser to report the value as of any other than the date when it is assumed such normal occupancy will have been attained.

#### DUTY TO HOLD FINDINGS CONFIDENTIAL

SECTION 1. It is the duty of an appraiser to hold as confidential the fact that he has been employed to make an appraisal, his results and other findings, until released from his obligation by the client or by due process of law.

#### EXPERT TESTIMONY

SECTION 1. In giving testimony as to the value of real property in any court or before any other legally constituted tribunal, an appraiser may follow rules of procedure as to appraisal method legally binding in that jurisdiction even though such rules may be at variance with the provision of these Standards.

#### PROFESSIONAL IDENTIFICATION

SECTION 1. It is unethical to use any trade name or insignia of membership in any organization unless entitled to use it. It is ethical to use the words "Certified Appraiser" or other title of similar purport unless the source of such certification or other identification be disclosed at the same time.

#### CONTENTS OF APPRAISAL CERTIFICATES

SECTION 1. It is unethical for an appraiser to omit any of the following from his appraisal certificate:

(1) An unequivocal identification and reasonably complete description of the property appraised.

(2) A statement of any contingent, assumed, or nonexistent conditions upon which the appraisal has been based. For example: The validity of legal, engineering, or auditing opinions used; the completion of projected public or private improvements; new improvements to be erected or remodeling to be done; and the like.

- (3) The date or time at which the value obtains.
- (4) The amount of the value.
- (5) A statement that the undersigned appraiser has no present or contemplated future interest in the property appraised; or a statement disclosing all such interests which the undersigned appraiser may have in the property appraised.
- (6) A statement that the appraiser's compensation and employment are not contingent upon the amount of the value reported, nor are either contingent upon the amount of damages or other benefits resulting from awards by arbitrators, through judicial decree, mortgage, or other advances, and the like—except as may be fully set forth in the report.
- (7) In case the property appraised is a fractional part of the property of a type covered by this code, a statement that the value reported is invalidated if used in making a summation appraisal of the property as a whole.
- (8) A signature clearly and definitely placing the responsibility for any statements or opinions and for the valuation given.

#### ARTICLE 6—COMMISSIONS AND FEES

Uniform minimum fees shall be established by local associations or subcommittees in accordance with local custom and practice. If such schedules of minimum fees established by local associations or subcommittees are submitted to the National Real Estate Appraisal Code Committee and are by it approved, they shall thereupon become a part of this code. Until such fees shall have been so established, the present minimum schedules now in effect in the various communities shall continue.

#### ARTICLE 7—COLLECTION OF DATA

The National Real Estate Appraisal Code Committee shall have authority to make surveys and to compile such reports as it may deem necessary for the accomplishment of the purposes of the National Industrial Recovery Act. The Committee may also collect such statistics and information as it may deem desirable in order to develop recommendations for the improvement of real-estate interests and activities and may assess against all members, equitably, the expenses incident to the administration of this code under such rules and regulations as may be approved by the President under Section 10-A of Title I of the National Industrial Recovery Act.

#### ARTICLE 8—GENERAL PROVISIONS

No provisions of this code shall be interpreted or applied in such manner as to promote a monopoly or to eliminate or oppress small enterprises and will not operate to discriminate against them and will tend to effectuate the policy of Title I.

This code may be amended from time to time by the National Real Estate Appraisal Code Committee subject to the approval of the President.

The President may from time to time cancel or modify any order, approval, license, rule, or regulation issued under Title I of the National Industrial Recovery Act and any of the provisions of this



code shall from time to time be cancelled or modified to the extent necessary to conform thereto.

To the extent required or permitted by or under the provisions of Title I of the National Industrial Recovery Act, the provisions of this code shall apply to and be binding upon every member whether or not the member shall have signed an agreement to comply with this code.

#### ARTICLE 9—ADMINISTRATION

The administration of this code shall be vested in a committee to be known as the National Real Estate Appraisal Code Committee, which shall consist of six members, elected so as to give representation to the various sections of the United States, from nominations made by the President of the American Institution of Real Estate Appraisers of the National Association of Real Estate Boards and approved by the Board of Directors of the National Association of Real Estate Boards. This Committee shall have the authority and powers conferred upon it in this code and such other powers and duties as may be necessary to administer the code, subject however to the approval of the General Real Estate Code Committee as set up in the General Code Affecting Real Estate to which this Code is supplementary. The Committee may hear complaints against members arising out of alleged violations of this code or of the National Industrial Recovery Act and may cause such complaints to be arbitrated and may initiate proceedings before the appropriate governmental agencies to prevent or to punish such violations.

*Subcommittees.*—Subcommittees may be appointed by local groups or associations for specific purposes with the approval of the National Real Estate Appraisal Code Committee, which committee shall appoint one of its own members as an ex-officio member of such subcommittee.

NATIONAL ASSOCIATION OF REAL ESTATE BOARDS,  
*August 29, 1933.*

NATIONAL RECOVERY ADMINISTRATION,  
*Control Division, Washington, D.C.*

**GENTLEMEN:** In submitting this code of fair competition for the profession and business of real estate appraising the American Institute of Real Estate Appraisers of the National Association of Real Estate Boards desires to call the attention of the Administration particularly to the following:

The American Institute of Real Estate Appraisers is a professional organization requiring its members to qualify under high standards and to subject themselves to regulation and discipline. So far as is known to the Institute it is the only organization or society covering the field of real-estate appraising in the United States. It believes that it is representative of the highest type of individual Real Estate Appraisers, who in a professional capacity, appraise real estate.

Although we believe that professional occupations are exempt from the provisions of the N.I.R.A., there is a growing business which involves the employment of clerical help, that through the use of standardized methods makes appraisals on what might be termed a "wholesale" basis, which probably should come under the provisions of the N.I.R.A. and it is to cover this field that this code is presented.

The establishment of definite and adequate standards of practice and ethics in this profession and business is of major importance to all allied interests and activities affecting Real Estate and it is hoped that the standards set out in this code will receive the careful consideration of the Administration at the proper time.

Particular attention is called to the copy of a letter of transmittal accompanying the General Code affecting Real Estate, to which the Appraisers' Code is supplementary.

This Institute desires to cooperate with any other interest when it becomes proper and necessary to complete the details of a code for the Appraisal business.

Very truly yours,

AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS  
OF THE NATIONAL ASSOCIATION OF REAL ESTATE BOARDS,  
By PHILIP W. KNISKERN, *President*.





UNIVERSITY OF FLORIDA



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